



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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6 MAY 1966

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DAILY BRIEF
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1. The President's Speech

The official press in Eastern Europe has come up with mixed reactions to President Johnson's speech on Tuesday. At the same time, some Eastern European officials have offered favorable comments in private.

The party daily in Prague noted that the speech represented a "somewhat revised" expression of US policy toward Eastern Europe. Other Czech papers said the speech was meant to exert "political pressure" on the unity of the socialist camp. This same line was put forth in the only comment so far from Hungary.

All major Rumanian papers treated the speech in a favorable context, quoting the President's view that the new trade bill "will have the possibility of increasing trade" with Eastern Europe.

A Rumanian official, who commented positively to an American official on the attitude of the executive branch toward improving trade relations, also expressed skepticism about the possibility of favorable congressional action. Bulgarian officials have reacted similarly.

Warsaw has given the speech only brief factual coverage; the Bulgarians have not mentioned it.

2. North Vietnam

A review of world shipping shows that only seven ships flying the flags of non-Communist countries visited North Vietnamese ports in April. Of these, only two brought cargoes.

This compares with a monthly average of 24 non-Communist ships engaged in this trade last year. The decline, which has been evident since last February, is probably in part a reflection of US diplomatic efforts in free world capitals.

Fear for the safety of ships and crews is likely to contribute to a continuing decline. Poland has widely publicized the exposure of the freighter Beniowski to the 20 April US air attack on Cam Pha. Warsaw has since indicated that it will withdraw from the trade, and some free world shipping companies have had to replace crews who refused to sail for North Vietnam.

3. South Vietnam

The Buddhists are keeping up their pressure on the election issue. The monk Tam Chau, now in Ceylon for a world Buddhist meeting, told the press there that South Vietnam's Buddhists will go all out to topple the Ky government unless elections are held prior to September.

Back in Saigon, the council to draft an election law held its second meeting today under somewhat more propitious circumstances. It apparently agreed to get down to business after receiving a formal government authorization clarifying its functions. The government refused, however, to give prior assurances that its work would be accepted as the law of the land.

4. Communist China

The Western press is giving considerable play today to a recent Peking editorial which warns that the Chinese party is engaged in a "life and death struggle" with opponents at home.

We think it likely that this attack is aimed at professional military men and cadres who question the enduring wisdom of some of Mao's doctrines. It is also likely that this kind of dissidence will be of increasing concern as the war in Vietnam continues and as the regime prepares for Mao's departure from the scene.

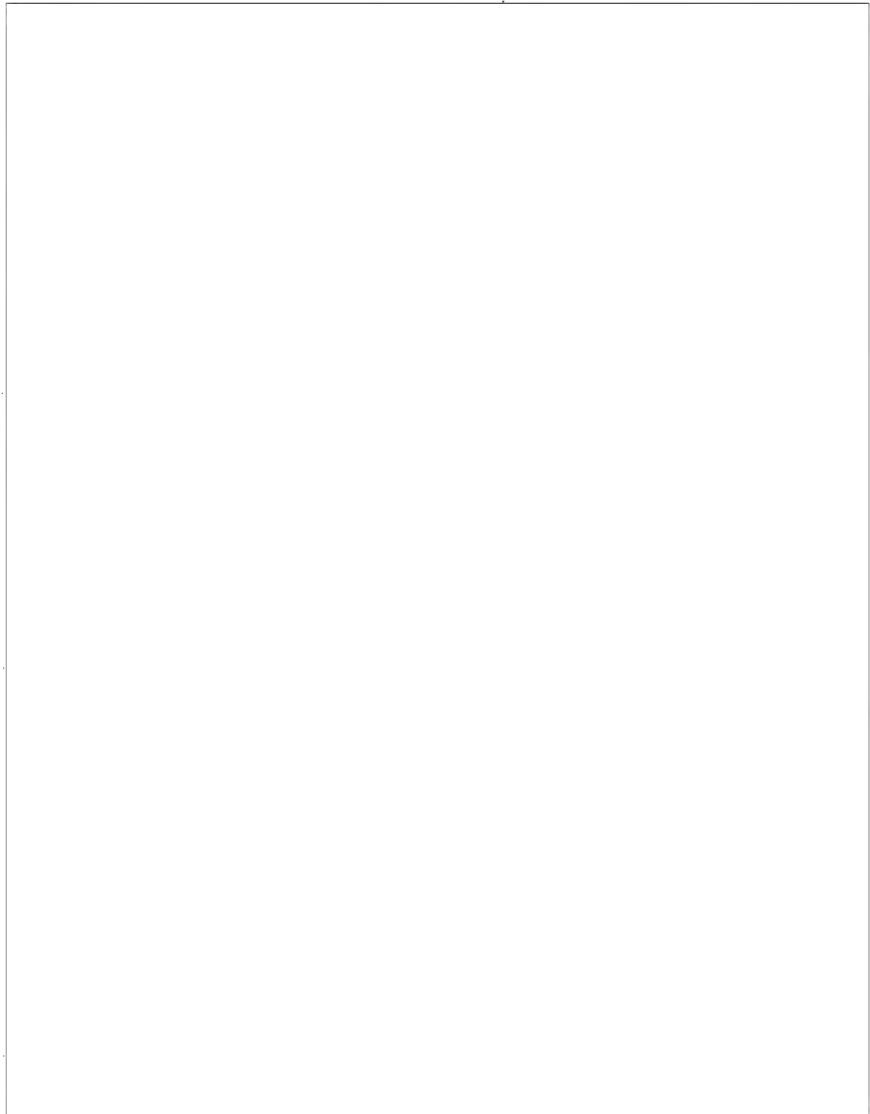
Important political figures, however, have not been implicated in this or other recent attacks, and there is no evidence to support the speculation in The New York Times and Washington Post that we are observing surface manifestations of a top-level party dispute.

5. India

The director of India's atomic energy establishment says that when the Chinese conduct their third atomic test the pressure for India to build its own bomb will become "intense." He told a US diplomat today that there had been a confidential parliamentary committee discussion on this subject recently and that there had been "very strong voices" in favor of going ahead. The Indian official left the impression he and Prime Minister Gandhi had presented counterarguments that had won the day, but they thought it was questionable how long the pressures could be resisted.

6. Pakistan

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7. Rhodesia

Ian Smith has put together a particularly strong team to represent him at the talks with the British in London next week. The US consul in Salisbury says that it would be difficult to find a more able group of Rhodesian officials. The consul considers this an indication of the seriousness with which Rhodesia is approaching the talks.

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8. Egypt

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9. Malawi

Malawi--formerly the British protectorate of Nyasaland--is desperately seeking money. The US ambassador says that the government has badly overspent, thanks to Prime Minister Banda's determination to "push buttons, throw switches, and cut ribbons to dramatize his political sagacity, economic savvy, and planning genius."

The ambassador is worried that the West may have to submit to "financial whitemail" or see Banda either appeal to the East for aid, or lead the country's economy down the Nkrumah road. Malawi's finance minister in fact has already suggested that the US should be willing to offer \$50 million, "the amount Banda has saved the US by delivering Africa from Communism."

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